



UNITED STATES DEPARTMENT OF EDUCATION
OFFICE OF THE DEPUTY SECRETARY

April 2, 2012

The Honorable Chris Christie
Office of the Governor
PO Box 001
Trenton, NJ 08625

Dear Governor Christie:

During the week of October 18, 2010, staff from the State Fiscal Stabilization Fund (SFSF) program from the U.S. Department of Education conducted the first of two monitoring reviews of your State's implementation of the SFSF program. Your State's SFSF contacts were extremely helpful in coordinating and responding to this on-site review.

During the monitoring review, we discussed your State's policies, procedures, and activities related to the SFSF program. We spoke with officials at local educational agencies (LEAs) that received Education Stabilization Fund grants and public institutions of higher education (IHEs), as well as representatives of entities that received Government Services Fund grants. A complete description of the scope of the monitoring review and the SFSF monitoring protocols are available on the Department's website at www.ed.gov/programs/statestabilization/applicant.

The Department found that the State implemented the program expeditiously and effectively in order to meet the financial needs of LEAs and other State agencies. This report demonstrates New Jersey's commitment to ensuring that the funds were spent quickly, while balancing the need for accountability and transparency.

The Department identified one issue regarding the State's implementation of the program. At the State level, the Office of Management and Budget separately tracks these Federal funds but distributed SFSF funds used for Tuition Assistance Grants

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The Department of Education's mission is to promote student achievement and preparation for global competitiveness by fostering educational excellence and ensuring equal access.

(TAG) to subrecipients in combined lump sums; therefore, some subrecipients could not distinguish what portion of their TAG allocation came from SFSF-ESF, SFSF-GSF, or other funding sources. The State submitted documentation showing the amounts of SFSF-ESF and SFSF-GSF funds that were expended by each institution for TAG as well as for operating costs. This is sufficient evidence that the State separately tracked IHE funds and that those funds were spent on allowable costs. This issue is resolved and requires no further action.

We will be contacting your office in the future to schedule the second monitoring review of the State's implementation of the SFSF program. We look forward to collaborating with you and the other officials in New Jersey who are working on this critical education initiative.

Sincerely,

//s//

Ann Whalen
Director, Policy and Program Implementation
Implementation and Support Unit

Cc: Timothy Cunningham, Office of the Governor